United Nations A/62/6 (Income sect. 3)

General Assembly

Distr.: General
6 June 2007

Original: English

Sixty-second session

Proposed programme budget for the biennium 2008-2009*

Income section 3
Services to the public

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* A summary of the approved programme budget will subsequently be issued as *Official Records of the General Assembly, Sixty-second Session, Supplement No. 6* (A/62/6/Add.1).

07-37027 (E) 270607

Overview

IS3.1 The activities provided for under this section respond to objectives of various programmes of the biennial programme plan for the period 2008-2009. These include subprogramme 4, Support services, of programme 24, Management and support services, through the sale of philatelic and gift items; subprogramme 1, Strategic communication services, in promoting an understanding of the Organization's work through guided tours, lectures/briefings, seminars and special events; and subprogramme 3, Outreach and knowledge-sharing services, through the sale of United Nations publications, both under programme 23, Public information; and subprogrammes 5, Statistics, and 6, Population, of programme 7, Economic and social affairs, through the sale of statistical and demographic-related products. Other activities provided for under this section that are not individually addressed in the biennial programme plan and are essentially revenue-producing activities that relate to the garage, the news-stand, catering and other commercial activities.

IS3.2 As indicated by the Secretary-General in his third and fourth annual progress reports on the implementation of the capital master plan (see A/60/550, para. 9 (h) and A/61/549, paras. 9 and 10, it is expected that the renovation work will have a negative impact on programmes that depend on a flow of visitors to the site in New York, as access will be restricted during the renovation, and that outreach activities for visitors and non-governmental organizations, retail services, exhibits, full dining facilities, many staff and delegate services, receptions and special events in New York would not be possible during the renovation in their present scope. As such, many of these activities will need to be either significantly curtailed or temporarily discontinued. The activities impacted will be the guided tour operations, the postal administration, the gift centre, the bookshop and, to a lesser degree, the catering and news-stand operations in New York. Based on current construction plans, the proposed programme budget for the biennium 2008-2009 assumes that these operations will be affected with effect from January 2009.

IS3.3 The two largest operations, sales of philatelic items and publications, are still largely affected by market realities. The revenue level from the operations of the United Nations Postal Administration appears to have stabilized after a continuous decline over a number of years in the philatelic industry owing to the ageing and reduced size of the collector base. Following a comprehensive operational review, the United Nations Postal Administration has been restructured and become more efficient and cost-effective, and shows signs of a more positive trend in the level of revenues. However, as noted in the paragraph IS3.2 above, the capital master plan is expected to impact on philatelic sales during 2009, and gross revenue from the sale of printed publications to libraries, which is the largest component of the North American operation, continues to decline, reflecting market conditions, decreased library funding, and increasing competition from free reference information available on the Internet.

IS3.4 It is anticipated that projected combined net revenue in respect of all services to the public for the biennium 2008-2009 ($1,132,100) would reflect a decrease of $2,808,900 in comparison with the estimated net income of $3,941,000 for the biennium 2006-2007 as shown in table IS3.2. The decrease is largely attributable to: (a) decreases in services to visitors, catering operations, gift and news-stand items and philatelic operations owing to the impact of the capital master plan at Headquarters in 2009; (b) the introduction of visitor services at Nairobi in 2009, which is not expected to generate a profit during the initial years; and (c) minor decreases in net revenue in the garage and sale of publications. The decrease is partly offset by minor increases in revenue from the sale of statistical and population products and other commercial operations.

IS3.5 With regard to expenditures, two General Service (Other level) posts are proposed for abolishment under the United Nations Postal Administration, one in New York and one in Geneva. In addition, four General Service (Other level) posts are proposed for abolishment under sale of publications,

along with an upward reclassification of a General Service (Other level) to General Service (Principal level), partly offset by the downward reclassification of a P-4 post to the P-3 level. These changes in number and level of posts are partly offset by the proposed establishment of one P-2 post for visitor services at Nairobi.

IS3.6 The operations, which are carried out at Headquarters, Geneva, Vienna, Addis Ababa, Bangkok and, in future, Nairobi, are directed by the following organizational units: the Department of Public Information, the Department of Economic and Social Affairs, the Office of Central Support Services, the Office of Programme Planning, Budget and Accounts, the United Nations Office at Geneva, the United Nations Office at Vienna, the United Nations Office at Nairobi, the Economic Commission for Africa (ECA) and the Economic and Social Commission for Asia and the Pacific (ESCAP).

IS3.7 The percentage distribution of the total gross revenue and expenditures for services to the public during the biennium 2008-2009 is shown in table IS3.1.

Table IS3.1 **Distribution of resources by component**

(percentage)

Component	*Income*	*Expenditure*
A. Programme of work		
1. United Nations Postal Administration operations	29.9	30.5
2. Sale of United Nations publications	37.9	38.4
3. Services to visitors	15.3	18.6
4. Revenue services of the Department of Economic and Social Affairs	3.0	2.1
5. Gift items	1.3	—
6. News-stand operations	0.4	—
7. Garage operations	6.1	3.5
8. Catering operations	3.6	3.6
9. Other commercial operations	2.5	1.5
B. Programme support		
Revenue Accounts Unit	—	1.8
Total	**100.0**	**100.0**

Table IS3.2 **Summary by individual activity: estimates of gross and net revenue (after recosting)**

(Thousands of United States dollars)

	2006-2007 approved estimates	*2008-2009 estimates*	*2008-2009 increase (decrease)*
A. Programme of work			
1. United Nations Postal Administration operations			
Gross revenue	14 054.0	12 951.1	(1 102.9)
Less expenses against revenue	13 691.7	12 863.8	(827.9)
Net revenue	362.3	87.3	(275.0)
2. Sale of United Nations publications			
Gross revenue	17 314.3	16 400.0	(914.3)
Less expenses against revenue	17 032.0	16 182.2	(849.8)
Net revenue	282.3	217.8	(64.5)
3. Services to visitors			
Gross revenue	9 415.4	6 620.1	(2 795.3)
Less expenses against revenue	9 556.0	7 839.9	(1 716.1)
Net revenue	(140.6)	(1 219.8)	(1 079.2)
4. Revenue services of the Department of Economic and Social Affairs			
Gross revenue	1 183.7	1 300.0	116.3
Less expenses against revenue	834.2	863.7	29.5
Net revenue	349.5	436.3	86.8
5. Sale of gift items			
Gross revenue	1 090.9	570.0	(520.9)
Less expenses against revenue	—	—	—
Net revenue	1 090.9	570.0	(520.9)
6. News-stand operations			
Gross revenue	200.0	150.0	(50.0)
Less expenses against revenue	—	—	—
Net revenue	200.0	150.0	(50.0)
7. Garage operations			
Gross revenue	2 715.2	2 638.7	(76.5)
Less expenses against revenue	1 470.6	1 459.6	(11.0)
Net revenue	1 244.6	1 179.1	(65.5)
8. Catering operations			
Gross revenue	2 035.3	1 553.2	(482.1)
Less expenses against revenue	1 122.3	1 524.1	401.8
Net revenue	913.0	29.1	(883.9)
9. Other commercial operations			
Gross revenue	980.7	1 062.6	81.9
Less expenses against revenue	622.6	620.2	(2.4)
Net revenue	358.1	442.4	84.3
B. Programme support			
Revenue Accounts Unit (expenses against revenue)	719.1	760.1	41.0
Total gross revenue	48 989.5	43 245.7	(5 743.8)
Less total expenses against revenue	45 048.5	42 113.6	(2 934.9)
Total net revenue	**3 941.0**	**1 132.1**	**(2 808.9)**

Table IS3.3 Resource requirements by component

(Thousands of United States dollars)

Regular budget

Component[a]	*2004-2005 expenditure*	*2006-2007 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2008-2009 estimate*
			Amount	*Percentage*			
1. United Nations Postal Administration operations	10 976.5	13 691.7	(1 483.6)	(10.8)	12 208.1	655.7	12 863.8
2. Sales of United Nations publications	13 386.6	17 032.0	(1 637.7)	(9.6)	15 394.3	787.9	16 182.2
3. Services to visitors	6 913.9	9 556.0	(2 135.9)	(22.4)	7 420.1	419.8	7 839.9
4. Revenue services of the Department of Economic and Social Affairs	806.2	834.2	(23.1)	(2.8)	811.1	52.6	863.7
5. Garage operations	1 154.7	1 470.6	(88.6)	(6.0)	1 382.0	77.6	1 459.6
6. Catering operations	1 036.7	1 122.3	315.2	28.1	1 437.5	86.6	1 524.1
7. Other commercial operations	705.7	622.6	(40.4)	(6.5)	582.2	38.0	620.2
8. Revenue Accounts Unit	627.9	719.1	—	—	719.1	41.0	760.1
Total	**35 608.1**	**45 048.5**	**(5 094.1)**	**(11.3)**	**39 954.4**	**2 159.2**	**42 113.6**

[a] The Headquarters gift shop and news-stand are operated by a contractor and concessionaire, respectively.

Table IS3.4 Summary of requirements by object of expenditure

(Thousands of United States dollars)

Object of expenditure	*2004-2005 expenditure*	*2006-2007 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2008-2009 estimate*
			Amount	*Percentage*			
Posts	15 130.4	21 540.8	(2 207.2)	(10.2)	19 333.6	999.5	20 333.1
Other staff costs	7 004.5	7 859.8	(816.9)	(10.4)	7 042.9	405.2	7 448.1
Non-staff compensation	104.6	64.6	—	—	64.6	—	64.6
Consultants and experts	160.9	119.6	(34.6)	(28.9)	85.0	5.7	90.7
Travel of staff	437.9	351.6	26.7	7.6	378.3	24.7	403.0
Contractual services	4 487.6	5 315.3	(684.2)	(12.9)	4 631.1	256.6	4 887.7
General operating expenses	3 323.7	4 070.5	(497.1)	(12.2)	3 573.4	202.8	3 776.2
Hospitality	0.3	8.1	(0.8)	(9.9)	7.3	0.3	7.6
Supplies and materials	433.1	573.0	(107.6)	(18.8)	465.4	26.4	491.8
Furniture and equipment	515.8	814.0	(170.2)	(20.9)	643.8	38.9	682.7
Improvement of premises	209.9	—	—	—	—	—	—
Seminars, grants and contributions	92.2	130.7	—	—	130.7	8.5	139.2
Cost of goods sold	3 707.2	4 200.5	(602.2)	(14.3)	3 598.3	190.6	3 788.9
Total	**35 608.1**	**45 048.5**	**(5 094.1)**	**(11.3)**	**39 954.4**	**2 159.2**	**42 113.6**

Table IS3.5 **Post requirements**

Category	*Established regular budget posts*		*Temporary posts*					
			Regular budget		*Extrabudgetary*		*Total*	
	2006-2007	*2008-2009*	*2006-2007*	*2008-2009*	*2006-2007*	*2008-2009*	*2006-2007*	*2008-2009*
Professional and above								
P-5	2	2	—	—	—	—	2	2
P-4/3	10	10	—	—	—	—	10	10
P-2/1	2	3	—	—	—	—	2	3
Subtotal	**14**	**15**	**—**	**—**	**—**	**—**	**14**	**15**
General Service								
Principal level	9	10	—	—	—	—	9	10
Other level	77	70	—	—	—	—	77	70
Subtotal	**86**	**80**	**—**	**—**	**—**	**—**	**86**	**80**
Other								
Security Service	2	2	—	—	—	—	2	2
Subtotal	**2**	**2**	**—**	**—**	**—**	**—**	**2**	**2**
Total	**102**	**97**	**—**	**—**	**—**	**—**	**102**	**97**

A. Programme of work

IS3.8 Pursuant to the objectives of subprogramme 4, Support services, of programme 24, Management and support services, of the biennial programme plan for the period 2008-2009, the Office of Central Support Services provides management and coordination of the following activities: the United Nations Postal Administration and, at Headquarters, the gift shop, the news-stand and the catering and garage operations. The Office will continue to promote greater awareness of the aims and activities of the United Nations and maximize the effectiveness of its revenue-producing operations.

IS3.9 Pursuant to the objectives of programme 23, Public information, of the biennial programme plan for the period 2008-2009, the Department of Public Information provides coordination and management of the sale of United Nations publications as well as of the services to United Nations visitors. The objective of these activities is to provide the widest possible dissemination of information about the United Nations to the general public while generating net revenue for the Organization.

IS3.10 Pursuant to the objectives of subprogramme 5, Statistics, and subprogramme 6, Population, of programme 7, Economic and social affairs, of the biennial programme plan for the period 2008-2009, the Department of Economic and Social Affairs disseminates its collection of statistical and population data to national institutions.

1. United Nations Postal Administration operations

Table IS3.6 Estimates of gross and net revenue

(Thousands of United States dollars)

	2006-2007 approved estimates	*2008-2009 estimates*	*2008-2009 increase (decrease)*
Gross sales	15 974.6	15 108.4	(863.1)
Less			
(a) Payments for mail carrying and cancellation charges	1 441.2	1 538.8	97.6
(b) Refund adjustment and commissions	479.4	618.5	139.1
Gross revenue	14 054.0	12 951.1	(1 102.9)
Less expenses against revenue	13 691.7	12 863.8	(827.9)
Net revenue	**362.3**	**87.3**	**(275.0)**

Table IS3.7 Summary of requirements by object of expenditure

(Thousands of United States dollars)

Object of expenditure	*2004-2005 expenditure*	*2006-2007 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2008-2009 estimate*
			Amount	*Percentage*			
Posts	6 031.4	8 419.2	(505.7)	(6.0)	7 913.5	417.7	8 331.2
Other staff costs	1 560.6	1 607.4	(86.1)	(5.4)	1 521.3	82.5	1 603.8
Non-staff compensation	104.6	64.6	—	—	64.6	—	64.6
Consultants and experts	4.6	—	—	—	—	—	—
Travel of staff	88.5	88.3	18.1	20.5	106.4	7.0	113.4
Contractual services	2 058.4	2 112.4	(644.6)	(30.5)	1 467.8	90.5	1 558.3
General operating expenses	774.4	1 060.4	(225.2)	(21.2)	835.2	43.3	878.5
Hospitality	0.3	0.8	—	—	0.8	—	0.8
Supplies and materials	230.3	243.2	(44.6)	(18.3)	198.6	9.7	208.3
Furniture and equipment	123.4	95.4	4.5	4.7	99.9	5.0	104.9
Total	**10 976.5**	**13 691.7**	**(1 483.6)**	**(10.8)**	**12 208.1**	**655.7**	**12 863.8**

Table IS3.8 **Post requirements**

Category	*Established regular budget posts*		*Temporary posts*				*Total*	
			Regular budget		*Extrabudgetary*			
	2006-2007	*2008-2009*	*2006-2007*	*2008-2009*	*2006-2007*	*2008-2009*	*2006-2007*	*2008-2009*
Professional and above								
P-5	1	1	—	—	—	—	1	1
P-4/3	2	1	—	—	—	—	2	1
Subtotal	**3**	**2**	**—**	**—**	**—**	**—**	**3**	**2**
General Service								
Principal level	6	6	—	—	—	—	6	6
Other level	34	32	—	—	—	—	34	32
Subtotal	**40**	**38**	**—**	**—**	**—**	**—**	**40**	**38**
Total	**43**	**40**	**—**	**—**	**—**	**—**	**43**	**40**

IS3.11 In line with the objectives of subprogramme 4, Support services, of programme 24, Management and support services, of the biennial programme plan for the period 2008-2009, the United Nations Postal Administration will continue to publicize the work and achievements of the United Nations and the specialized agencies through philatelic sales.

IS3.12 The total estimates of gross revenue, projected by the United Nations Postal Administration offices in the amount of $12,951,100 and reflecting a decline of $1,102,900 (7.8 per cent) from the level approved for the biennium 2006-2007, are presented in table IS3.6. The philatelic market continues its decline due to the ageing of its collector base, and long-term changes in market conditions. In addition, the collapse of a global stamp trading company in 2006 has dampened collector appetite in 2006 and 2007. It is expected that the short-term negative impact caused by this instability will continue somewhat into 2008 and 2009.

IS3.13 In response to General Assembly resolution 57/292, the United Nations Postal Administration initially undertook a comprehensive reorganization of its operations. Subsequently, it has continued to review and adjust both its operating structure and products. In particular, personalized stamps have proven popular with visitors at Headquarters and are being considered for expansion into the European operations. Unfortunately, it is anticipated that with the expected closure of the tour operations at Headquarters beginning in January 2009, the personalized stamp office and the postal counter will not be able to operate. While efforts will be made to promote and produce personalized stamps online, the revenue from this alternate product is not expected to fully offset the loss of revenue owing to the impact of the capital master plan.

IS3.14 In order to maintain solvency of the operation, a P-4 post is proposed for redeployment to catering operations in New York, and two General Service (Other level) posts are being proposed for abolishment, further reducing the staffing levels to a total of 40 posts (down from 60 posts in the biennium 2002-2003). In addition, of the remaining 40 posts, 2 General Service (Other level) posts are being frozen during 2009 in the counter sales and personalized stamp operations in New York. The total level of expenditures is estimated at $12,208,100, representing a decrease of $1,483,600, or 10.8 per cent, from the level of the revised estimates for the biennium 2006-2007.

Outputs

IS3.15 During the biennium 2008-2009, the following outputs will be delivered:

(a) Other substantive activities: printing of philatelic materials. Issuance of United Nations postage stamps and postal stationery, including the subject, design and quantity to be printed; security and archival safe keeping of postal stocks; liaison with the postal authorities of the United States of America, Switzerland, Austria and other countries regarding postal and philatelic regulations and procedures; liaison with the Universal Postal Union regarding philatelic and postal regulations and procedures; and participation in activities of the World Association for the Development of Philately;

(b) Administrative support services: marketing. Examination and introduction of new concepts in management and marketing approaches to increase gross sales, such as personalized stamps, "fun packs", special "exhibit issues" and all-purpose postcards with motifs of the United Nations Postal Administration.

Resource requirements (before recosting)

Posts

IS3.16 The estimated provision of $7,913,500, reflecting a decrease of $505,700 from current levels, relates to the continuation of 40 posts as detailed in table IS3.8 above. The decrease results from lower requirements for staff costs following the abolishment of two General Service (Other level) posts in Vienna and New York, and the redeployment of a P-4 post from the postal administration in New York to catering operations in New York to provide managerial and administrative support, better reflecting the operational requirement of managing the commercial activities under the responsibility of the Office of Central Support Services.

Other staff costs

IS3.17 The provision of $1,521,300, reflecting a decrease of $86,100, includes: (a) a provision of $1,447,200 to engage the services of hourly paid workers to perform order processing and preparation of philatelic material for dispatch from Headquarters and the European Office; and (b) requirements of $74,100 for overtime needed during stamp exhibitions, the sale of first day of issue stamps and other periods of peak workload for the Postal Administration as a whole. The decrease reflects an adjustment in requirements in line with reduced revenue expectations.

Non-staff compensation

IS3.18 The requirement of $64,600 would provide for design artwork for philatelic stamps and promotional materials.

Travel of staff

IS3.19 The provision of $106,400, reflecting an increase of $18,100, would cover travel of the staff of the United Nations Postal Administration for promotional and representational activities with respect to establishing cooperation with national postal administrations, maintaining contact with international and national philatelic organizations, developing new sources for the distribution of United Nations postage stamps, representation at major international philatelic shows and coordination of the activities of the United Nations Postal Administration offices. The increase relates to promotional and representational activities at the 2008 Summer Olympic Games in Beijing.

Contractual services

IS3.20 The provision of $1,467,800, reflecting a decrease of $644,600, would cover: (a) the consolidated cost of printing stamps ($954,900) in both United Nations Postal Administration offices; (b) the overall programme for advertising and promotional activities ($495,200); and (c) requirements for contractual software applications and data-processing support ($17,700). The decrease reflects the adjustments of requirements in line with reduced revenue expectations.

General operating expenses

IS3.21 The provision of $835,200, reflecting a decrease of $225,200, would cover maintenance of office automation equipment ($110,100), communication costs ($235,400) and miscellaneous services, including stamp affixing, insurance requirements, and the cost of stock delivery to dealers, promotional mailings, envelopes, posters and circulars ($489,700). The decrease results from reduced revenue estimates with a resultant reduction in miscellaneous services.

Hospitality

IS3.22 The provision of $800 is for hospitality in the context of promotional activities with philatelic associations and government officials planned as part of the marketing strategy.

Supplies and materials

IS3.23 The provision of $198,600, reflecting a decrease of $44,600, would cover the cost of office supplies, customer statements and other materials. The decrease is related to the impact of reduced revenue estimates.

Furniture and equipment

IS3.24 The provision of $99,900, reflecting an increase of $4,500, would cover the purchase of additional office equipment for the United Nations Postal Administration offices and the replacement of existing office automation equipment.

2. Sale of United Nations publications

Table IS3.9 Estimates of gross and net revenue by organizational unit

(Thousands of United States dollars)

	2006-2007 approved estimates	*2008-2009 estimates*	*2008-2009 increase (decrease)*
(a) Headquarters			
Gross revenue	8 390.1	7 950.0	(440.1)
Less expenses against revenue	8 488.4	8 153.3	(335.1)
Net revenue	(98.3)	(203.3)	(105.0)
(b) Bookshop, Headquarters			
Gross revenue	3 027.8	2 550.0	(477.8)
Less expenses against revenue	2 543.5	2 202.2	(341.3)
Net revenue	484.3	347.8	(136.5)
(c) Geneva			
Gross revenue	5 896.4	5 900.0	3.6
Less expenses against revenue	6 000.1	5 826.7	(173.4)
Net revenue	(103.7)	73.3	177.0
Total gross revenue	17 314.3	16 400.0	(914.3)
Less total expenses against revenue[a]	17 032.0	16 182.2	(849.8)
Total net revenue	**282.3**	**217.8**	**(64.5)**

[a] Including the cost of goods sold.

Table 1S3.10 Estimates of gross and net revenue by object of expenditure

Object of expenditure	*2004-2005 expenditure*	*2006-2007 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2008-2009 estimate*
			Amount	*Percentage*			
Posts	5 366.3	7 430.3	(712.3)	(9.6)	6 718.0	333.4	7 051.4
Other staff costs	422.7	252.7	(28.4)	(11.2)	224.3	12.1	236.4
Travel of staff	92.7	98.8	(6.2)	(6.3)	92.6	6.0	98.6
Contractual services	2 224.5	2 921.4	(49.0)	(1.7)	2 872.4	147.8	3 020.2
General operating expenses	1 372.4	1 638.5	(122.9)	(7.5)	1 515.6	79.0	1 594.6
Hospitality	—	5.5	—	—	5.5	0.2	5.7
Supplies and materials	73.3	126.1	(38.5)	(30.5)	87.6	4.3	91.9
Furniture and equipment	127.5	358.2	(78.2)	(21.8)	280.0	14.5	294.5
Cost of goods sold	3 707.2	4 200.5	(602.2)	(14.3)	3 598.3	190.6	3 788.9
Total	**13 386.6**	**17 032.0**	**(1 637.7)**	**(9.6)**	**15 394.3**	**787.9**	**16 182.2**

Table IS3.11 **Post requirements**

Category	*Established regular budget posts*		*Temporary posts*				*Total*	
			Regular budget		*Extrabudgetary*			
	2006-2007	*2008-2009*	*2006-2007*	*2008-2009*	*2006-2007*	*2008-2009*	*2006-2007*	*2008-2009*
Professional and above								
P-5	1	1	—	—	—	—	1	1
P-4/3	3	3	—	—	—	—	3	3
P-2/1	1	1	—	—	—	—	1	1
Subtotal	**5**	**5**	**—**	**—**	**—**	**—**	**5**	**5**
General Service								
Principal level	2	3	—	—	—	—	2	3
Other level	26	21	—	—	—	—	26	21
Subtotal	**28**	**24**	**—**	**—**	**—**	**—**	**28**	**24**
Total	**33**	**29**	**—**	**—**	**—**	**—**	**33**	**29**

IS3.25 The activities programmed under this heading relate to the objectives of subprogramme 3, Outreach and knowledge-sharing services, of programme 23, Public information, of the biennial programme plan for the period 2008-2009, which, inter alia, aim to enhance understanding of the role, work and concerns of the United Nations and to encourage the exchange of ideas, information and knowledge in support of the goals of the Organization. The subprogramme supports this objective by increasing readership of United Nations publications in all formats through the promotion and sale of United Nations publications, including general marketing and sale of reports, books, periodicals, documents, microfiched publications, databases, videos and CD-ROMs as well as other electronic products. The activities, including the bookshop operation in New York and the book and gift shop operation in Geneva, are carried out by the Sales and Marketing Section of the Department of Public Information at Headquarters, and the Sales Unit at Geneva, respectively, under the direction of the Outreach Division of the Department of Public Information. The subprogramme also covers the external publications activities, with respect to arrangements with international commercial publishers to produce United Nations books, studies, documents and reports both in printed and electronic formats. A related aim of the subprogramme is to generate profit for the Organization without adversely affecting the widest possible free dissemination of United Nations information to the public.

IS3.26 The Publications Board, under the chairmanship of the Director, Outreach Division, Department of Public Information, has overall responsibility for the establishment and execution of the publications programme, including production, costing and determination of the policies governing the sale of published materials.

IS3.27 The decline in worldwide sales of United Nations publications is expected to continue in the biennium 2008-2009. This decline, coupled with the continued competition from previously-for-sale publications that are made available free-of-charge on the Internet and free access to the Official Document System, is expected to result in the further reduction of gross income at Headquarters in the biennium 2008-2009. While sales of online products have continued to grow, the income generated from those sales have been insufficient to fully compensate for the loss from traditional print sales, a problem compounded by the fact that the Organization and many of its

funds and programmes are producing fewer publications and that many of the titles, when published, are freely available on the Internet.

IS3.28 Initial work on developing a platform that would allow subscription access to a comprehensive repository of electronic versions of United Nations publications has started, but progress has been hindered by the absence of a central repository of publication files within the Organization upon which to base a distribution platform. Once the Organization has installed an enterprise content management system, the collection of files, which has so far been done on an individual basis, can be done on a comprehensive basis. While full implementation of the enterprise content management system will take a number of years, the sales programme is working with both the Information Technology Services Division and the Department for General Assembly and Conference Management on plans to introduce the enterprise content management system into the publishing process as an early adoption project. The sales programme is also moving ahead in identifying partner companies that it can work with to build a dedicated platform for United Nations publications. Further non-exclusive partnerships will also continue to be developed. Over the last two years, the programme has entered into a number of such arrangements with major publishers and Internet companies. While income from such agreements is limited owing to the cost of digitizing publications, the increase in dissemination of United Nations publications has been significant. Not only are most publications now available through online vendors, such as LexisNexis and NetLibrary, they can also be accessed in full text by anyone using Google and can be viewed at the Amazon.com online bookshop. The United Nations publications website, which is fully e-commerce enabled, also provides a platform for selling individual electronic files of publications. The website will be fully optimized to feature the maximum number of electronic versions of publications.

IS3.29 While the New York and Geneva bookshops are still projected to have net revenues, the levels are expected to be less than those in the previous biennium. The estimated net revenues would still be sufficient, however, to compensate for the net losses from the sales of publications at both locations.

IS3.30 To mitigate the effects of declining revenue in the sale of publications and to focus activities on the core functions of the programme, a phased approach to outsourcing the programme's warehousing and customer service activities is proposed. Overall savings would be achieved, as the cost of outsourcing would be more than offset by the savings resulting from the abolishment of four General Service (Other level) posts and the reclassification of a P-4 post responsible for those activities in New York to the P-3 level. Owing to increased responsibilities related to the coordination of activities with the outsourced operation, the current post of Supervisor of Customer Service is proposed to be reclassified from the G-6 to the G-7 level. By allowing greater focus on core activities, it is anticipated that in the long run, sales could be increased through better product development and enhanced marketing.

Activities

IS3.31 During the biennium 2008-2009 the following activities will be undertaken:

(a) Other substantive activities:

(i) Sale of United Nations publications, documents, reports, books, periodicals, microforms, videos, databases and other published materials;

(ii) Promotional activities: journal advertisements, direct marketing brochures, sales catalogues, Internet web pages, promotional exhibits at conferences and meetings,

e-mail newsletters and other activities and products relating to the advertising and promotion of United Nations publications;

(iii) Development of United Nations publications and souvenir items with general appeal that promote the Organization and have revenue potential;

(b) Administrative support services:

(i) Supervision of the United Nations bookshop in New York and the book and gift shop in Geneva;

(ii) Readership surveys and market analysis aimed at providing author departments with feedback on their publications and assessing the effectiveness of promotional activities.

Resource requirements (before recosting)

Posts

IS3.32 The provision of $6,718,000, reflecting a decrease of $712,300, relates to 29 posts at Headquarters and Geneva. The net decrease reflects:

(a) The abolishment of four General Service (Other level) posts and the reclassification of one P-4 post to the P-3 level in New York as a result of the outsourcing of warehousing and customer service activities;

(b) The reclassification of a General Service (Other level) post from G-6 to the Principal level (G-7) to reflect the additional responsibilities relating to liaison with the vendor of the outsourced operations.

Other staff costs

IS3.33 The provision of $224,300, reflecting a decrease of $28,400, would cover: (a) general temporary assistance requirements ($179,600) for replacements during extended leave of staff and additional staff requirements, particularly in the areas of Internet sales, advertising and design, electronic publishing, video, CD-ROM and souvenir items, and market studies; (b) overtime ($24,100) at both Headquarters and Geneva; and (c) a provision of $20,600 for the engagement of the services of individuals under special service agreements to undertake marketing studies and focus group surveys to assist author departments in the evaluation of their products and to assess the effectiveness of specific sales activities. The decrease, mainly in overtime, results from the contracting out of some of the programme's activities as discussed above.

Travel of staff

IS3.34 The provision of $92,600, reflecting a decrease of $6,200, relates to travel of staff of both the Headquarters and Geneva units for attendance at exhibits, planned visits to sales agents, universities and libraries worldwide, and market focus groups, with a view to promoting and disseminating information about United Nations publications.

Contractual services

IS3.35 The provision of $2,872,400, reflecting a decrease of $49,000, would cover the combined costs of: (a) direct-mail advertising, placement of advertisements in the media, including rental of exhibit space, Internet service fees and expenses related to the selective use of advertising and promotion agencies for United Nations publications at both Headquarters and Geneva as well as the costs of contracting out customer service, order fulfilment and warehousing activities ($1,495,700); and (b) provisions of $729,400 at Geneva and $647,300 at Headquarters relating to bookshop

operations by outside contractors. The decrease reflects a decline in current expenditure levels as well as an overall reduction for operation of the bookshop at Headquarters in 2009 owing to capital master plan renovations.

General operating expenses

IS3.36 The provision of $1,515,600, reflecting a decrease of $122,900, would provide for general operating expenses at both Headquarters and Geneva for: (a) rental and maintenance of electronic dataprocessing, office automation and other equipment relating to both the sale of publications and bookshop operations ($118,200); (b) communications requirements to cover pouch, postage and other mailing and shipping costs associated with sales operations at both Headquarters and Geneva ($943,100); and (c) requirements for miscellaneous services to cover freight costs, bank fees and other miscellaneous items ($454,300). The decrease reflects the adjustments in requirements based on the past expenditure pattern for communications.

Hospitality

IS3.37 Hospitality requirements amounting to $5,500 are associated with the launching of new publications and promotional reception for customers of United Nations publications.

Supplies and materials

IS3.38 A provision of $87,600, reflecting a decrease of $38,500, would cover electronic data-processing supplies, other office supplies and sales support materials, such as customer packing slips, invoices, account statements, paper bags, carrier bags, wrapping paper, shipping boxes and exhibition kits, at both Headquarters and Geneva. The decrease is reflective of the expenditure pattern under this item.

Furniture and equipment

IS3.39 The provision of $280,000, reflecting a decrease of $78,200, would cover the acquisition and replacement of office automation equipment, office fixtures, cash machines and other equipment required for the sale of publications at both Headquarters and Geneva. The decrease relates to reduced requirements for furniture and equipment that do not need to be replaced in 2008-2009.

Cost of goods sold

IS3.40 The provision of $3,598,300, reflecting a decrease of $602,200, would cover the cost of design, editing and production of publications, purchase of books and other publications from other United Nations agencies for resale, and inventory requirements for both Headquarters and Geneva. Also included are the costs associated with marketing and development of electronic products and the maintenance and upgrading of those that are currently being offered for sale. The provision would also cover the development of publications of a more general nature, which promote the work of the Organization and are deemed to have strong sales potential, including products on specific events of the United Nations. The decrease reflects the impact that the lower demand for publications will have on the maintenance of adequate inventory levels as well as the reduced size of the overall operation of the bookshop at Headquarters in 2009 owing to capital master plan renovations.

3. Services to visitors

Table IS3.12 Estimates of gross and net revenue

(Thousands of United States dollars)

	2006-2007 approved estimates	*2008-2009 estimates*	*2008-2009 increase (decrease)*
Headquarters			
Gross revenue	8 042.8	5 186.7	(2 856.1)
Less expenses against revenue	7 306.2	5 410.6	(1 895.6)
Net revenue	736.6	(223.9)	(960.5)
Geneva			
Gross revenue	1 129.8	1 140.6	10.8
Less expenses against revenue	1 535.3	1 509.4	(25.9)
Net revenue	(405.5)	(368.8)	36.7
Vienna			
Gross revenue	242.8	292.8	50.0
Less expenses against revenue	714.5	707.9	(6.6)
Net revenue	(471.7)	(415.1)	56.6
Nairobi			
Gross revenue	—	—	—
Less expenses against revenue	—	212.0	212.0
Net revenue	—	(212.0)	(212.0)
Total gross revenue	9 415.4	6 620.1	(2 795.3)
Less total expenses against revenue	9 556.0	7 839.9	(1 716.1)
Total net revenue	**(140.6)**	**(1 219.8)**	**(1 079.2)**

Table IS3.13 Summary of requirements by object of expenditure

(Thousands of United States dollars)

Object of expenditure	*2004-2005 expenditure*	*2006-2007 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2008-2009 estimate*
			Amount	*Percentage*			
Posts	2 246.5	3 786.2	(1 276.5)	(33.7)	2 509.7	131.4	2 641.1
Other staff costs	4 343.2	5 153.4	(786.6)	(15.3)	4 366.8	250.5	4 617.3
Travel of staff	4.7	4.6	22.0	478.3	26.6	1.8	28.4
Contractual services	182.4	270.0	9.4	3.5	279.4	17.9	297.3
General operating expenses	39.6	80.7	1.1	1.4	81.8	5.5	87.3
Hospitality	—	1.8	(0.8)	(44.4)	1.0	0.1	1.1
Supplies and materials	64.4	148.3	(44.4)	(29.9)	103.9	7.4	111.3
Furniture and equipment	33.0	111.0	(60.1)	(54.1)	50.9	5.2	56.1
Grants and contributions	0.1	—	—	—	—	—	—
Total	**6 913.9**	**9 556.0**	**(2 135.9)**	**(22.4)**	**7 420.1**	**419.8**	**7 839.9**

Table IS3.14 **Post requirements**

Category	*Established regular budget posts*		*Temporary posts*				*Total*	
			Regular budget		*Extrabudgetary*			
	2006-2007	*2008-2009*	*2006-2007*	*2008-2009*	*2006-2007*	*2008-2009*	*2006-2007*	*2008-2009*
Professional and above								
P-4/3	4	4	—	—	—	—	4	4
P-2/1	1	2	—	—	—	—	1	2
Subtotal	**5**	**6**	**—**	**—**	**—**	**—**	**5**	**6**
General Service								
Principal level	1	1	—	—	—	—	1	1
Other level	11	11	—	—	—	—	11	11
Subtotal	**12**	**12**	**—**	**—**	**—**	**—**	**12**	**12**
Total	**17**	**18**	**—**	**—**	**—**	**—**	**17**	**18**

IS3.41 The activities relating to servicing of visitors fall under the responsibility of the Department of Public Information. The objective is to promote an informed understanding of the purpose and role of the United Nations to the widest possible audience and to increase the visibility and viability of the United Nations Headquarters and the Offices at Geneva, Vienna and Nairobi as attractions for the general public and specialized groups.

IS3.42 The ability of the guided tour operations to generate revenue has been hampered for several years. Since 1993, heightened security measures at Headquarters, Geneva and Vienna have had adverse implications for the operation, as the maximum number of people per guide has been reduced. The events of 11 September 2001 had serious implications for the Headquarters complex, resulting in the curtailment of activities for several months due to frequent closings of the complex. However, there are indications that the flow of visitors has stabilized, as the numbers in table IS3.15 below indicate.

Table IS3.15 **Actual and estimated number of tour participants**

	Headquarters	*Geneva*	*Vienna*
1990	496 229	144 210	71 250
1991	473 570	123 772	68 008
1992	474 430	113 955	69 159
1993	415 641	122 633	61 735
1994	389 610	114 594	59 334
1995	415 247	149 784	51 125
1996	420 370	111 979	50 371
1997	415 681	119 101	49 089
1998	431 241	120 394	47 816
1999	437 062	91 375	45 646
2000	388 421	82 217	40 231
2001	344 971	82 798	39 764
2002	284 508	80 943	45 311
2003	323 188	74 120	48 435
2004	360 175	78 405	50 136
2005	412 042	80 703	47 303
2006	436 755	92 987	49 305
2007 (estimate)	458 592	94 000	50 100
2008 (estimate)	476 935	95 000	51 603
2009 (estimate)	—	95 000	53 151

IS3.43 In line with the current trend of increased ticket prices in the tourism industry of the host city, an increase in ticket prices is planned for 2008 for most categories of visitors taking the guided tour at Headquarters. Admission fees for 2008 will be as follows: adults $13.50; senior citizens $9.00; students $9.00; and children $7.50. Of the total number of visitors, approximately 50 per cent are expected to be adults, 6 per cent senior citizens and 42 per cent students and children. Approximately 2 per cent of the tickets issued to travel agents, school chaperones, media representatives, members of delegations and United Nations staff members are complimentary.

IS3.44 At the United Nations Office at Geneva, measures introduced by the Visitors' Service during the biennium 2004-2005, such as the acceptance of payment in euros, increasing advertisements in host city maps and public places and direct mailings to increase the number of school visits, combined with the implementation of a cooperative agreement in 2006 with the Sales and Marketing Section of the Department of Public Information to optimize and integrate the tour and bookshop operations, has yielded positive results. The number of tour participants has risen by 15 per cent between 2005 and 2006, and a continuation of increase in revenues is expected in 2007 and 2008.

IS3.45 At the Vienna International Centre, the number of visitors has begun to return to the level of 50,000 that it enjoyed in 2004, prior to the institution of more restrictive security measures. As a result of various measures to intensify promotion of the United Nations site at Vienna and increase its visibility, the number of visitors has increased despite the abolishment of weekend tours and the reduction of tours after 5 p.m. Admission fees charged to adults will increase in 2008 from €5.00 to €6.00, but all other categories will remain at their current prices.

IS3.46 In its resolution 60.248, the General Assembly requested the Secretary-General to organize a guided tour operation at the United Nations Office at Nairobi and to report thereon in the context

of the budget performance reports. Subsequently, in the first performance report on the programme budget for the biennium 2006-2007 (A/61/593), it was reported that the guided tour operations had not commenced owing to the delay in the construction project, but that it would be implemented upon completion of the construction. It has been projected that while the guided tours will not commence until 2009 given the continued delay in construction, the establishment of operations will begin with a P-2 post and general temporary assistance beginning in 2009. The skeleton staff that will be in place prior to the commencement of the actual tours will be required to establish the office and to plan, design and arrange the tour operations. As no assumption could be made on the estimated number of tour participants or ticket pricing, revenues have not been estimated and, as such, are currently shown as zero.

Outputs

IS3.47 During the biennium 2008-2009, the following outputs will be delivered: other substantive activities:

(a) In 2008, organization and conducting of guided lecture tours, including the design concept of permanent exhibits for the tour route, for visitors to United Nations Headquarters and the United Nations Offices at Geneva, Vienna and Nairobi in approximately 20 languages. While tours will continue at Geneva, at Vienna in 2009 and start at Nairobi in 2009, at Headquarters the tours will cease in 2009 during the capital master plan renovations as the complex will be closed to the general public. It is expected that a public space near Headquarters will be made available for the purpose of holding short presentations for the public (at no charge) and for displaying exhibits;

(b) Organization of briefing programmes on various United Nations issues for visiting groups;

(c) Organization of speaking engagements away from Headquarters by Secretariat officials in response to requests from academic institutions, non-governmental organizations and other interested groups;

(d) Organization of videoconferences linking groups away from Headquarters with Secretariat and delegation officials at Headquarters.

Resource requirements (before recosting)

Posts

IS3.48 The provision of $2,509,700, reflecting a reduction of $1,276,500, would provide for the continuation of 17 posts in the public services units of the Department of Public Information at the United Nations offices at Geneva and Vienna for 2008-2009, at Headquarters for 2008 and, in addition, the establishment of a P-2 post in Nairobi. The reduction relates to the impact of the capital master plan at Headquarters in 2009, with the anticipated discontinuation of regular guided tours at Headquarters at that time.

Other staff costs

IS3.49 The provision of $4,366,800, reflecting a reduction of $786,600, would cover the costs of: (a) salaries of 16 full-time public information assistants, 4 tour coordinators, 1 senior tour coordinator, 1 briefing assistant and 1 clerical support post at Headquarters during 2008 ($1,409,700); (b) the contracts, on an hourly basis, for tour guides and a cashier in Vienna ($381,500) and tour guides at Geneva ($615,700), and a tour guide assistant at Nairobi ($38,800); (c) the recruitment at Headquarters of additional guides under special service agreements in varying numbers, depending on the time of year, during 2008 ($1,410,700); (d) overtime in connection with the operation of the services on holidays ($2,600); and (e) coordinating arrangements for briefing programmes, seminars and courses as well as for the public space for

exhibits at Headquarters for 2009 ($507,800) (see para. IS3.47 (a)). The decrease is the result of the anticipated discontinuation of regular guided tours at Headquarters owing to the capital master plan renovations.

Travel of staff

IS3.50 The provision of $26,600, reflecting an increase of $22,000, would provide for travel for consultations with the visitors' services at Geneva, Vienna and especially Nairobi, on issues related to the development of the services and on operational cost-effectiveness, visitor flow and income-generating and promotional activities.

Contractual services

IS3.51 The provision of $279,400, reflecting an increase of $9,400, would provide for: (a) the cost of printing information booklets, brochures and pamphlets for distribution to visitors, tourist boards, travel agencies and other relevant institutions ($18,100); and (b) costs relating to publicizing and promoting visits to the United Nations, including the printing and distribution of promotional brochures and other materials, advertising in travel and tourism industry publications and updating United Nations exhibits ($261,300).

General operating expenses

IS3.52 The provision of $81,800, reflecting an increase of $1,100, relates to: (a) the maintenance of office automation equipment, cash registers, videotape players and monitors ($59,600); (b) miscellaneous services, which include framing and mounting panels along exhibit routes and minor modifications to exhibits ($20,200); and (c) maintenance of hand-held devices for communication between tour monitors and security officers at Headquarters ($2,000).

Hospitality

IS3.53 The hospitality provision of $1,000, reflecting a reduction of $800, would cover the costs of events aimed at enhancing contacts with representatives of the tourism industry. The reduction reflects an adjustment of requirements based on the past expenditure pattern.

Supplies and materials

IS3.54 The provision of $103,900, reflecting a reduction of $44,400, would cover the purchase of office supplies and related expenses ($24,000) and the replacement cost of the guides' uniforms ($79,900). The decrease reflects the past expenditure pattern.

Furniture and equipment

IS3.55 The provision of $50,900, reflecting a reduction of $60,100, would cover: (a) the acquisition and replacement of data-processing equipment, an electronic ticket printer and a large television screen with a DVD player at Vienna ($14,700); (b) the purchase of an electronic display screen at Geneva ($4,200); (c) the acquisition of data-processing equipment and audio-visual equipment at Nairobi ($22,000); and (d) the replacement of audio-visual equipment at Headquarters ($10,000). The reduction relates to the discontinuance of the one-time cost of acquisition of software that was included in the biennium 2006-2007.

4. Revenue services of the Department of Economic and Social Affairs

Table IS3.16 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	2006-2007 approved estimates	*2008-2009 estimates*	*2008-2009 increase (decrease)*
Statistics			
Gross revenue	1 107.4	1 250.0	142.6
Less expenses against revenue	762.9	816.7	53.8
Net revenue	344.5	433.3	88.8
Population			
Gross revenue	76.3	50.0	(26.3)
Less expenses against revenue	71.3	47.0	(24.3)
Net revenue	5.0	3.0	(2.0)
Total gross revenue	1 183.7	1 300.0	116.3
Less total expenses against revenue	834.2	863.7	29.5
Total net revenue	**349.5**	**436.3**	**86.8**

Table IS3.17 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	*2004-2005 expenditure*	*2006-2007 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2008-2009 estimate*
			Amount	*Percentage*			
Other staff costs	268.2	325.4	47.4	14.6	372.8	24.2	397.0
Consultants and experts	132.9	119.6	(54.6)	(45.7)	65.0	4.3	69.3
Travel of staff	247.2	147.5	(6.4)	(4.3)	141.1	9.1	150.2
General operating expenses	3.9	9.4	(3.3)	(35.1)	6.1	0.4	6.5
Supplies and materials	1.0	11.2	(6.2)	(55.4)	5.0	0.2	5.2
Furniture and equipment	60.8	90.4	—	—	90.4	5.9	96.3
Grants and contributions	92.1	130.7	—	—	130.7	8.5	139.2
Total	**806.2**	**834.2**	**(23.1)**	**(2.8)**	**811.1**	**52.6**	**863.7**

IS3.56 During the biennium 2008-2009, the sales activities of the Department of Economic and Social Affairs under this section will complement the work of subprogramme 5, Statistics, and subprogramme 6, Population, of programme 7, Economic and social affairs, of the biennial programme plan for the period 2008-2009. The activities will aim at: (a) enhancing international statistical development and coordination and the collection, compilation and dissemination of statistical data; and (b) improving methodologies and data analyses, and developing custom demographic software in the areas of fertility, mortality and migration, population projections and policies, HIV/AIDS and the interrelationships among population, resources, environment and development. The activities are expected to be self-supporting from revenues generated by sales of statistical publications, statistical and demographic data, software packages and services.

Resource requirements (before recosting)

Other staff costs

IS3.57 The provision of $372,800, reflecting an increase of $47,400 based on actual work-months utilized and corresponding expenditure patterns, would provide for 48 work-months of General Service staff to provide secretarial and administrative support and data collection.

Consultants

IS3.58 The provision of $65,000, reflecting a reduction of $54,600, would cover: (a) the recruitment of consultants by the Statistics Division to assist in the continued implementation of the data improvement project for better quality and better dissemination of Comtrade data ($35,000); and (b) the recruitment of consultants by the Population Division to improve methodologies for urban and rural population estimates and projections ($30,000). The decreased requirements reflect the past expenditure pattern.

Travel of staff

IS3.59 The provision of $141,100, reflecting a reduction of $6,400, would cover: (a) the travel of staff of the Statistics Division in connection with attendance at various meetings to consult with other agencies and institutions on statistical data, databases and products as well as travel of staff as resource persons to workshops and seminars ($131,100); and (b) travel of staff to obtain data and population information, improve the analytical algorithms underlying software and consult with the regional commissions to improve the Division's databases, software and web offerings ($10,000). The reduction reflects an adjustment in requirements based on prior expenditure level.

General operating expenses

IS3.60 The provision of $6,100, reflecting a reduction of $3,300, would cover the cost of mailing documents, tapes, diskettes and CD-ROMs to customers. The decrease reflects the past expenditure pattern.

Supplies and materials

IS3.61 The provision of $5,000, reflecting a reduction of $6,200, would cover the costs of computer supplies, such as diskettes and other expendable material. The decrease reflects the past expenditure pattern.

Furniture and equipment

IS3.62 The provision of $90,400 would cover: (a) the upgrade of the servers, storage units, workstation printers and software licences related to the sale of statistical products ($87,200); and (b) the cost of mapping software on urban and rural population estimation and projections ($3,200).

Fellowships, grants and contributions

IS3.63 The provision of $130,700 would cover the cost of organizing and conducting workshops to assist developing countries and countries with economies in transition in improving the quality and flow of international trade statistics data, which will be entered into the Comtrade database and similar databases of the Statistics Division. This is an ongoing activity crucial to ensuring a high-quality Comtrade product. The costs will mainly cover the travel of participants in regional workshops as well as local costs and other training arrangements.

5. Sale of gift items

Table IS3.18 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	2006-2007 approved estimates	*2008-2009 estimates*	*2008-2009 increase (decrease)*
Headquarters gift shop			
Gross revenue	1 090.9	570.0	(520.9)
Less expenses against revenue	—	—	—
Total net revenue	**1 090.9**	**570.0**	**(520.9)**

IS3.64 The gift shop at Headquarters provides staff, members of delegations in New York and visitors with United Nations mementos and souvenirs as well as handicrafts and other souvenirs from around the world. The gift shop at Headquarters is operated by a contractor who is required to provide the United Nations with a percentage of gross sales. The estimated amount of revenue for the United Nations reflects the anticipated level of gross sales to be generated by the gift shop in 2008 only. The gift shop is expected to be closed during 2009 due to the capital master plan operations.

IS3.65 In the context of the report of the Secretary-General on the possibility of operating guided tours, bookstores and gift shops at the United Nations Office at Nairobi and the cost implications thereof (A/59/793), it was expected that a gift shop would be operated as a self-sustained commercial operation, run on a full cost-recovery basis. While this activity continues to be proposed, the timeline for its commencement has been postponed owing to the delay in the completion of the construction of the new off-site building for commercial operations at the United Nations Office at Nairobi. Since the construction that was originally forecast to be completed by the end of 2006 was only begun in early 2007, it is expected that the gift shop will not be operational until sometime in 2009. Given that the construction is at an early stage, it is not possible at this time to ascertain the scale of the gift shop and, consequently, the scope of its operations. Therefore, the preparation of a meaningful programme budget for the gift shop at the United Nations Office at Nairobi for the biennium 2008-2009 was not feasible. It is envisioned that as construction progresses and the accommodation of the gift shop becomes clearer, a programme budget will be submitted in the context of the first performance report for the biennium 2008-2009.

6. News-stand operations

Table IS3.19 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	2006-2007 approved estimates	*2008-2009 estimates*	*2008-2009 increase (decrease)*
Revenue	200.0	**150.0**	**(50.0)**
Total	**200.0**	**150.0**	**(50.0)**

IS3.66 The news-stand, located in the Secretariat building, provides delegations and staff with newspapers, magazines and sundry items and is operated by a concessionaire. Under the current agreement, the contractor pays the United Nations $100,000 yearly and 15 per cent of gross receipts above $700,000. The income from this activity is expected to decline from $200,000 to $150,000 for the biennium 2008-2009, reflecting the negative impact on sales resulting from the relocation of one quarter of the staff from the Secretariat building starting in January 2008 owing to the capital master plan operations.

7. Garage operations

Table IS3.20 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	2006-2007 approved estimates	*2008-2009 estimates*	*2008-2009 increase (decrease)*
Headquarters			
Gross revenue	2 228.1	2 112.2	(115.9)
Less expenses against revenue	931.6	994.0	62.4
Net revenue	1 296.5	1 118.2	(178.3)
Geneva			
Gross revenue	432.1	463.1	31.0
Less expenses against revenue	487.6	407.8	(79.8)
Net revenue	(55.5)	55.3	110.8
Bangkok			
Gross revenue	55.0	63.4	8.4
Less expenses against revenue	51.4	57.8	6.4
Net revenue	3.6	5.6	2.0
Total gross revenue	2 715.2	2 638.7	(76.5)
Less total expenses against revenue	1 470.6	1 459.6	(11.0)
Total net revenue	**1 244.6**	**1 179.1**	**(65.5)**

Table IS3.21 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	*2004-2005 expenditure*	*2006-2007 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2008-2009 estimate*
			Amount	*Percentage*			
Posts	858.3	1 186.0	(83.2)	(7.0)	1 102.8	59.2	1 162.0
Other staff costs	80.1	22.6	—	—	22.6	1.4	24.0
Contractual services	9.4	—	—	—	—	—	—
General operating expenses	155.4	244.9	(38.6)	(15.8)	206.3	13.6	219.9
Supplies and materials	51.5	17.1	33.2	194.2	50.3	3.4	53.7
Total	**1 154.7**	**1 470.6**	**(88.6)**	**(6.0)**	**1 382.0**	**77.6**	**1 459.6**

Table IS3.22 **Post requirements**

Category	*Established regular budget posts*		*Temporary posts*				*Total*	
			Regular budget		*Extrabudgetary*			
	2006-2007	*2008-2009*	*2006-2007*	*2008-2009*	*2006-2007*	*2008-2009*	*2006-2007*	*2008-2009*
General Service								
Other level	4	4	—	—	—	—	4	4
Subtotal	**4**	**4**	**—**	**—**	**—**	**—**	**4**	**4**
Other								
Security Service	2	2	—	—	—	—	2	2
Subtotal	**2**	**2**	**—**	**—**	**—**	**—**	**2**	**2**
Total	**6**	**6**	**—**	**—**	**—**	**—**	**6**	**6**

IS3.67 The garage operations at Headquarters, Geneva and Bangkok provide parking facilities for delegates and staff under conditions and at rates established by the United Nations.

Resource requirements (before recosting)

Posts

IS3.68 The provision of $1,102,800 is for the continuation of four posts at Headquarters (2 General Service (Other level) and 2 Security officers) and 2 General Service (Other level) posts at Geneva, who are responsible for issuing parking permits and decals, maintaining databases of permit holders and applicants from both the permanent missions of Member States and staff, and patrolling the garage premises. The reduction of $83,200 in Geneva is based on current patterns of expenditure for post incumbency.

Other staff costs

IS3.69 The provision of $22,600 relates to overtime for the Garage Administration at Headquarters to meet extended working time requirements, in particular during sessions of the General Assembly.

General operating expenses

IS3.70 The provision under this heading, $206,300, reflecting a reduction of $38,600, relates to hiring outside contractors for miscellaneous maintenance services (repairs, floor markings, signs, replacement of fixtures) required in the garage operation at Headquarters ($154,400) and at Bangkok ($51,900). The decrease reflects an adjustment in requirements since no major repairs/renovations are expected to be carried out in 2008-2009.

Supplies and materials

IS3.71 The estimated provision of $50,300, reflecting an increase of $33,200, relates to supplies and materials required for the garage operations at Headquarters ($48,200) and at Bangkok ($2,100), such as parking tickets, receipts, stickers and specialized laminated supplies. The increase reflects the actual expenditure pattern, especially at Headquarters, where the cost of printing of parking decals alone was over $10,000 in 2006.

8. Catering operations

Table IS3.23 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	2006-2007 approved estimates	*2008-2009 estimates*	*2008-2009 increase (decrease)*
Catering, Headquarters			
Gross revenue	1 965.4	1 478.2	(487.2)
Less expenses against revenue	1 055.5	1 453.5	398.0
Net revenue	909.9	24.7	(885.2)
ESCAP cafeteria			
Gross revenue	69.8	75.0	5.2
Less expenses against revenue	66.8	70.6	3.8
Net revenue	3.0	4.4	1.4
Total gross revenue	2 035.3	1 553.2	(482.1)
Less total expenses against revenue	1 122.3	1 524.1	401.8
Total net revenue	**913.0**	**29.1**	**(883.9)**

Table IS3.24 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	*2004-2005 expenditure*	*2006-2007 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2008-2009 estimate*
			Amount	*Percentage*			
Posts	—	—	370.5	100.0	370.5	16.8	387.3
Other staff costs	102.7	175.9	—	—	175.9	11.5	187.4
Consultants and experts	8.3	—	—	—	—	—	—
General operating expenses	925.7	946.4	(79.3)	(8.4)	867.1	56.7	923.8
Furniture and equipment	—	—	24.0	—	24.0	1.6	25.6
Total	**1 036.7**	**1 122.3**	**315.2**	**28.1**	**1 437.5**	**86.6**	**1 524.1**

Table IS3.25 **Post requirements**

Category	*Established regular budget posts*		*Temporary posts*				*Total*	
			Regular budget		*Extrabudgetary*			
	2006-2007	*2008-2009*	*2006-2007*	*2008-2009*	*2006-2007*	*2008-2009*	*2006-2007*	*2008-2009*
Professional and above								
P-4/3	—	1	—	—	—	—	—	1
Total	**—**	**1**	**—**	**—**	**—**	**—**	**—**	**1**

IS3.72 The current contract at Headquarters began in 2003 and expires in 2007. Under the terms of the contract, the caterer will pay to the Organization a fixed commission of $150,000 per year, plus annual rent of $509,292, and a further 15 per cent commission on the gross revenue earned from

catering non-United Nations functions, which is estimated at this stage in the amount of $320,000 annually. While the contract includes an option to renew for another two years, since the full impact of the capital master plan is still difficult to gauge, the negotiations have been delayed. The projections assume that there will be no revenue generated for non-United Nations functions starting January 2009 and that the commission for 2009 will be waived.

IS3.73 The catering service at ESCAP is a self-supporting activity that generates only incidental income beyond the requirements for maintenance and replacement of kitchen equipment and catering furniture.

Resource requirements (before recosting)

Posts

IS3.74 The increase, in the amount of $370,500, relates to the proposed redeployment of one P-4 post from the United Nations Postal Administration to provide managerial and administrative support primarily to the catering operation and to other income-producing activities, such as the gift centre and the news-stand operations. The proposal is intended to better reflect the operational requirement of managing the commercial activities under the responsibility of the Office of Central Support Services.

Other staff costs

IS3.75 The provision of $175,900 would cover general temporary assistance to administer and monitor the contract at Headquarters.

General operating expenses

IS3.76 The provision of $867,100, reflecting a reduction of $79,300, relates to: (a) the cost of utilities for the catering operation at Headquarters ($825,100); and (b) the maintenance of kitchen equipment and furniture in the ESCAP cafeteria ($42,000). The decrease reflects a combination of the estimated reduced requirements for the utilities in the New York operation and reduced maintenance requirements for the operation in Bangkok.

Furniture and equipment

IS3.77 The new provision of $24,000 would cover the scheduled replacement of kitchen equipment in the ESCAP cafeteria.

9. Other commercial operations

Table IS3.26 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	2006-2007 approved estimates	*2008-2009 estimates*	*2008-2009 increase (decrease)*
Vienna commercial activities			
Gross revenue	65.4	69.2	3.8
Less expenses against revenue	72.2	69.1	(3.1)
Net revenue	(6.8)	0.1	6.9
ECA Conference Centre			
Net revenue	374.1	393.4	19.3
ESCAP Conference Centre			
Gross revenue	541.2	600.0	58.8
Less expenses against revenue	550.4	551.1	0.7
Net revenue	(9.2)	48.9	58.1
Total gross revenue	980.7	1 062.6	81.9
Less total expenses against revenue	622.6	620.2	(2.4)
Total net revenue	**358.1**	**442.4**	**84.3**

Table IS3.27 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	*2004-2005 expenditure*	*2006-2007 appropri-ation*	*Resource growth*		*Total before recosting*	*Recosting*	*2008-2009 estimate*
			Amount	*Percentage*			
Other staff costs	227.0	322.4	36.8	11.4	359.2	23.0	382.2
Consultants and experts	15.1	—	20.0	—	20.0	1.4	21.4
Travel of staff	4.8	12.4	(0.8)	(6.5)	11.6	0.8	12.4
Contractual services	13.0	11.5	—	—	11.5	0.4	11.9
General operating expenses	52.4	90.2	(28.9)	(32.0)	61.3	4.3	65.6
Supplies and materials	12.7	27.1	(7.1)	(26.2)	20.0	1.4	21.4
Furniture and equipment	170.9	159.0	(60.4)	(38.0)	98.6	6.7	105.3
Improvement of premises	209.9	—	—	—	—	—	—
Total	**705.8**	**622.6**	**(40.4)**	**(6.5)**	**582.2**	**38.0**	**620.2**

IS3.78 United Nations promotions and exhibits, a coffee shop, a hairdresser and a flower shop occupy space at the main entrance of the Vienna International Centre. The coffee shop, hairdresser and flower shop are administered by the United Nations and operated by contractors. The contractors reimburse the United Nations for all utility costs and also pay a fixed annual fee to the United Nations Office at Vienna.

IS3.79 The other component under this heading relates to the ESCAP and ECA conference centres. For the biennium 2008-2009, the total gross revenue of the ESCAP conference centre is estimated at $600,000, resulting from the rental of the conference centre to other organizations. The estimated expenses would cover the centre's maintenance costs in a proportion relating to rental activities.

Net revenue resulting from the rental of the conference centre at ECA is estimated at $393,400. The maintenance costs of the centre are budgeted for under section 17, Economic and social development in Africa.

Resource requirements (before recosting)

Other staff costs

IS3.80 The provision of $359,200, reflecting an increase of $36,800, would cover the costs associated with administration of the commercial contracts for the operations described above, including: (a) a provision of $55,100 for general temporary assistance in Vienna; (b) a provision of $104,100 in Bangkok for general temporary assistance, equivalent to one Local level position, for administrative support activities related to the rental of the conference centre; (c) $150,000 for temporary staff in Bangkok providing assistance to exhibition-related activities and audio-visual arrangements; and (c) $50,000 in overtime and night differential expenses incurred by security officers and temporary staff in Bangkok. The increase is due primarily to expanded temporary staffing needs in Bangkok.

Consultants

IS3.81 The new requirement in the amount of $20,000 for consultants relates to two projects envisioned to increase the efficiency and effectiveness of the conference services in Bangkok. One consultancy would review the existing marketing strategy with a view to increasing utilization of conference services. A second consultancy would review the current systems with a view to developing a strategy for full office automation.

Travel of staff

IS3.82 The provision of $11,600, reflecting a reduction of $800, would cover the travel of staff to attend regional meetings with a view to promoting the ESCAP conference centre.

Contractual services

IS3.83 The provision of $11,500 would cover the cost of advertisement and promotion of the Vienna International Centre.

General operating expenses

IS3.84 The provision of $61,300 for ESCAP, reflecting a reduction of $28,900, would cover the cost of maintenance of premises ($3,200), utilities ($21,500), rental of equipment ($5,000), rental and utilization of telephone lines ($6,600), maintenance of equipment ($20,000) and other miscellaneous services ($5,000). The decrease reflects adjustments in requirements of the ESCAP conference centre based on past expenditure levels.

Supplies and materials

IS3.85 The provision of $20,000 in ESCAP would cover the acquisition of information kits, pamphlets, promotional materials and public information supplies. The increase reflects the higher level of utilization of the conference centre.

Furniture and equipment

IS3.86 The provision of $98,600 for ESCAP, reflecting a reduction of $60,400, would cover the acquisition and/or replacement of meeting chairs, liquid crystal display systems, the microphone

system, electronic signboards and the simultaneous interpretation system. The decrease relates to requirements for some furniture and equipment that was replaced in prior bienniums and accordingly would not need to be replaced in 2008-2009.

B. Programme support

Revenue Accounts Unit

Table IS3.28 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	*2004-2005 expenditure*	*2006-2007 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2008-2009 estimate*
			Amount	*Percentage*			
Post	627.9	719.1	—	—	719.1	41.0	760.1
Total	**627.9**	**719.1**	**—**	**—**	**719.1**	**41.0**	**760.1**

Table IS3.29 **Post requirements**

Category	*Established regular budget posts*		*Temporary posts*				*Total*	
			Regular budget		*Extrabudgetary*			
	2006-2007	*2008-2009*	*2006-2007*	*2008-2009*	*2006-2007*	*2008-2009*	*2006-2007*	*2008-2009*
Professional and above								
P-4/3	1	1	—	—	—	—	1	1
Subtotal	**1**	**1**	**—**	**—**	**—**	**—**	**1**	**1**
General Service								
Other level	2	2	—	—	—	—	2	2
Subtotal	**2**	**2**	**—**	**—**	**—**	**—**	**2**	**2**
Total	**3**	**3**	**—**	**—**	**—**	**—**	**3**	**3**

Resource requirements (before recosting)

Posts

IS3.87 The provision of $719,100 would provide for the continuation of one P-4 and two General Service (Other level) posts in the Accounts Division of the Office of Programme Planning, Budget and Accounts responsible for revenue accounting and reporting.

Table IS3.30 **Summary of follow-up action taken to implement the relevant recommendations of the oversight bodies**

Brief description of the recommendation	*Action taken to implement the recommendation*
Report of the Board of Auditors (A/61/5 vol. 1, chap. II)	
The United Nations Postal Administration agreed with the Board's recommendation that it maintain: (a) a sub-account for every stockroom code in the MegaAccount and periodically reconcile the account balances against the ledger and stock value report; (b) a stockroom ledger to keep track of the stock movement pending its entry in MegaStamp, as provided for in its procedures manual (para. 475).	This recommendation has been implemented. (a) The United Nations Postal Administration is maintaining a manual ledger of all incoming and outgoing stock for the main stock room; NS a sub-account will be maintained and reconciled against the MegaStamp balances; the United Nations Postal Administration is reconciling account balances against physical stock balances on a monthly basis for the post office counter and the personalized stamp shop and on a quarterly basis for the operational stocks; reconciliation of main stocks will be conducted on a yearly basis; (b) The United Nations Postal Administration is maintaining a manual ledger to ensure that all incoming and outgoing main stock movements and stock ledgers are reconciled against physical stock balances.
The United Nations Postal Administration agreed with the Board's recommendation that it consider setting up a contingency fund from sales revenue to cover the mailing charges of pre-sold United Nations stamps in the event that customers use the stamps in the future (para. 477).	This recommendation has been implemented. A proposal to establish a contingency fund was submitted to the General Assembly for its consideration (A/61/295). A follow-up report is being submitted for the further consideration of the General Assembly at its sixty-first resumed session.
The United Nations Postal Administration agreed with the Board's recommendation that it pursue its plan to initiate a periodic review of accounts receivable so that corrective action can be taken immediately (para. 481).	This recommendation has been implemented. The United Nations Postal Administration has developed a procedure to undertake a monthly review of accounts receivable to allow corrective action to be taken immediately.

Brief description of the recommendation	*Action taken to implement the recommendation*
The United Nations Postal Administration agreed with the Board's recommendation that it revisit its policy on the destruction and disposition of off-sale stamps (para. 484).	This recommendation has been partially implemented. A formal policy will be contained in the revised United Nations Postal Administration manual, which is scheduled for completion in the biennium 2008-2009.
The Administration agreed with the Board's recommendation that it comply with financial rule 103.8 (b) in relation to the formal designation of authority to issue official receipts and handle collections, and consistently apply financial rule 103.8 (c) which states that all moneys received shall be deposited in an official bank account within two business days of receipt (para. 495).	This recommendation has been implemented. In compliance with financial rule 103.8, an administrative authorization was granted to the Garage Administration Assistant on October 2006. The recommendation to deposit all monies received within two business days of receipt has been implemented.
The Administration agreed with the Board's recommendation that it enforce strictly General Assembly resolution 39/236 when fees are in arrears for more than three months (para. 499).	This recommendation has been implemented. The Administration is enforcing General Assembly resolution 39/236.
The Administration agreed with the Board's recommendation that issue an administrative instruction concerning United Nations Garage operations and correspondingly update the Garage Administration procedures manual (para. 502).	This recommendation has been partially implemented. The Garage Administration has drafted the administrative instruction and has asked the Garage Review Board, which was recently reconstituted in February 2007, for its input.